

AMENDED IN SENATE APRIL 7, 2015

AMENDED IN SENATE MARCH 19, 2015

SENATE BILL

No. 114

Introduced by Senator Liu

January 13, 2015

An act to amend Sections 17070.15, 17070.40, 17070.75, 17072.35, 17074.25, 17074.26, 17077.42, and 17592.70 of, to add Sections 17070.78, 17071.15, 17072.40, and 17073.16 to, to add Part 70 (commencing with Section 101100) to Division 14 of Title 3 of, to add and repeal Section 17254 of, and to repeal Sections 17070.99, 17071.33, 17071.35, and 17071.40 of, the Education Code, relating to education facilities, and by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 114, as amended, Liu. Education facilities: Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

This bill would revise the definition of modernization under the act to include the replacement of facilities on a site containing a permanent structure that is at least 25 years old or, in the case of a portable classroom, that is at least 20 years old, as specified.

The bill would require a school district, as a condition for participation in the school facilities program, to certify that it has a long-range school

facilities master plan that is consistent with the regional sustainable communities strategy, as specified.

The bill would delete a provision requiring the State Allocation Board to conduct an evaluation of the cost of new construction and modernization of small high schools in conjunction with a specified pilot program.

The bill would require each school district that elects to participate in a new construction or modernization program to reestablish eligibility, as specified, and to conduct an inventory of existing facilities for purposes of maintaining a statewide school facilities inventory.

The bill would authorize a grant for new construction or modernization under the act to be used for seismic mitigation purposes and for related design, study, and testing costs, and require the State Allocation Board, in the development of guidelines and regulations, to provide a school district with maximum flexibility in the design, modernization, and new construction of school facilities.

The bill would require the Office of Public School Construction to recommend regulations to the State Allocation Board to provide school districts with flexibility in designing instructional facilities.

The bill would revise the provisions for the funding of joint-use facilities to allow an additional exemption from a general requirement that a joint-use partner contribute to at least 25% of eligible project costs, as specified. This additional exemption would apply if the joint-use agreement specifies that the joint-use partner will provide 100% of the operational costs of the joint-use project for a term of no less than 10 years.

The bill would require the State Department of Education, the Division of the State Architect, the Office of Public School Construction, and the Department of Toxic Substances Control to convene for purposes of developing an interagency plan to streamline the school facilities construction application, review, and audit processes in order to reduce the time and improve the efficiency of the school facilities construction process, as specified. The bill would require that this interagency plan be submitted to the Legislature on or before July 1, 2016.

(2) Existing law, the California Constitution, prohibits the Legislature from creating a debt or liability that singly or in the aggregate with any previous debts or liabilities exceeds the sum of \$300,000, except by an act that (a) authorizes the debt for a single object or work specified in the act, (b) has been passed by a $\frac{2}{3}$ vote of all the members elected to each house of the Legislature, (c) has been submitted to the people at

a statewide general or primary election, and (d) has received a majority of all the votes cast for and against it at that election.

This bill would enact the Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016 to authorize an unspecified amount of state general obligation bonds, as scheduled, to provide aid to school districts, county superintendents of schools, county boards of education, and charter schools to construct and modernize education facilities. The proceeds of these bonds would be deposited in the 2016 State School Facilities Fund, which the bill would establish as specified.

The proposed bond act would become operative only if approved by the voters at the November 8, 2016, statewide general election, and the bill would provide for its submission to the voters at that election.

(3) This bill would specify that certain of its provisions would become operative only if the Kindergarten Through Grade 12 Public Education Facilities Bond Act of 2016 is approved by the voters at the November 8, 2016, statewide general election.

(4) This bill would make conforming and nonsubstantive changes in related provisions of existing law.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17070.15 of the Education Code is
2 amended to read:
3 17070.15. The following terms, wherever used or referred to
4 in this chapter, shall have the following meanings, respectively,
5 unless a different meaning appears from the context:
6 (a) "Apportionment" means a reservation of funds for the
7 purpose of eligible new construction, modernization, or hardship
8 approved by the board for an applicant school district.
9 (b) "Attendance area" means the geographical area serving an
10 existing high school and those junior high schools and elementary
11 schools included therein.
12 (c) "Board" means the State Allocation Board as established by
13 Section 15490 of the Government Code.
14 (d) "Committee" means the State School Building Finance
15 Committee established pursuant to Section 15909.
16 (e) "County fund" means a county school facilities fund
17 established pursuant to Section 17070.43.

1 (f) “Department” means the Department of General Services.

2 (g) “Fund” means the applicable 1998 State School Facilities
3 Fund, the 2002 State School Facilities Fund, the 2004 State School
4 Facilities Fund, the 2006 State School Facilities Fund, or the 2016
5 State School Facilities Fund, established pursuant to Section
6 17070.40.

7 (h) “Good repair” has the same meaning as specified in
8 subdivision (d) of Section 17002.

9 (i) “Modernization” means any modification or replacement of
10 a permanent structure that is at least 25 years old, or, in the case
11 of a portable classroom, that is at least 20 years old, that will
12 enhance the ability of the structure to achieve educational purposes.

13 (j) “Portable classroom” means a classroom building of one or
14 more stories that is designed and constructed to be relocatable and
15 transportable over public streets, and with respect to a single story
16 portable classroom, is designed and constructed for relocation
17 without the separation of the roof or floor from the building and
18 when measured at the most exterior walls, has a floor area not in
19 excess of 2,000 square feet.

20 (k) “Property” includes all property, real, personal or mixed,
21 tangible or intangible, or any interest therein necessary or desirable
22 for carrying out the purposes of this chapter.

23 (l) “School building capacity” means the capacity of a school
24 building to house pupils.

25 (m) “School district” means a school district or a county office
26 of education. For purposes of determining eligibility under this
27 chapter, “school district” may also mean a high school attendance
28 area.

29 SEC. 2. Section 17070.40 of the Education Code is amended
30 to read:

31 17070.40. (a) (1) A fund is hereby established in the State
32 Treasury, to be known as the 1998 State School Facilities Fund.
33 All money in the fund, including any money deposited in that fund
34 from any source whatsoever, and notwithstanding Section 13340
35 of the Government Code, is hereby continuously appropriated
36 without regard to fiscal years for expenditure pursuant to this
37 chapter.

38 (2) The board may apportion funds to school districts for the
39 purposes of this chapter from funds transferred to the 1998 State
40 School Facilities Fund from any source.

1 (3) The board may make apportionments in amounts not
2 exceeding those funds on deposit in the 1998 State School Facilities
3 Fund, and any amount of bonds authorized by the committee, but
4 not yet sold by the Treasurer.

5 (4) The board may make disbursements pursuant to any
6 apportionment made from any funds in the 1998 State School
7 Facilities Fund, irrespective of whether there exists at the time of
8 the disbursement an amount in the 1998 State School Facilities
9 Fund sufficient to permit payment in full of all apportionments
10 previously made. However, no disbursement shall be made from
11 any funds required by law to be transferred to the General Fund.

12 (b) (1) A fund is hereby established in the State Treasury, to
13 be known as the 2002 State School Facilities Fund. All money in
14 the fund, including any money deposited in that fund from any
15 source whatsoever, and notwithstanding Section 13340 of the
16 Government Code, is hereby continuously appropriated without
17 regard to fiscal years for expenditure pursuant to this chapter.

18 (2) The board may apportion funds to school districts for the
19 purposes of this chapter from funds transferred to the 2002 State
20 School Facilities Fund from any source.

21 (3) The board may make apportionments in amounts not
22 exceeding those funds on deposit in the 2002 State School Facilities
23 Fund, and any amount of bonds authorized by the committee, but
24 not yet sold by the Treasurer.

25 (4) The board may make disbursements pursuant to any
26 apportionment made from any funds in the 2002 State School
27 Facilities Fund, irrespective of whether there exists at the time of
28 the disbursement an amount in the 2002 State School Facilities
29 Fund sufficient to permit payment in full of all apportionments
30 previously made. However, no disbursement shall be made from
31 any funds required by law to be transferred to the General Fund.

32 (c) (1) A fund is hereby established in the State Treasury, to
33 be known as the 2004 State School Facilities Fund. All money in
34 the fund, including any money deposited in that fund from any
35 source whatsoever, and notwithstanding Section 13340 of the
36 Government Code, is hereby continuously appropriated without
37 regard to fiscal years for expenditure pursuant to this chapter.

38 (2) The board may apportion funds to school districts for the
39 purposes of this chapter from funds transferred to the 2004 State
40 School Facilities Fund from any source.

1 (3) The board may make apportionments in amounts not
2 exceeding those funds on deposit in the 2004 State School Facilities
3 Fund, and any amount of bonds authorized by the committee, but
4 not yet sold by the Treasurer.

5 (4) The board may make disbursements pursuant to any
6 apportionment made from any funds in the 2004 State School
7 Facilities Fund, irrespective of whether there exists at the time of
8 the disbursement an amount in the 2004 State School Facilities
9 Fund sufficient to permit payment in full of all apportionments
10 previously made. However, no disbursement shall be made from
11 any funds required by law to be transferred to the General Fund.

12 (d) (1) A fund is hereby established in the State Treasury, to
13 be known as the 2006 State School Facilities Fund. All money in
14 the fund, including any money deposited in that fund from any
15 source whatsoever, and notwithstanding Section 13340 of the
16 Government Code, is hereby continuously appropriated without
17 regard to fiscal years for expenditure pursuant to this chapter.

18 (2) The board may apportion funds to school districts for the
19 purposes of this chapter from funds transferred to the 2006 State
20 School Facilities Fund from any source.

21 (3) The board may make apportionments in amounts not
22 exceeding those funds on deposit in the 2006 State School Facilities
23 Fund, and any amount of bonds authorized by the committee, but
24 not yet sold by the Treasurer.

25 (4) The board may make disbursements pursuant to any
26 apportionment made from any funds in the 2006 State School
27 Facilities Fund, irrespective of whether there exists at the time of
28 the disbursement an amount in the 2006 State School Facilities
29 Fund sufficient to permit payment in full of all apportionments
30 previously made. However, no disbursement shall be made from
31 any funds required by law to be transferred to the General Fund.

32 (e) (1) A fund is hereby established in the State Treasury, to
33 be known as the 2016 State School Facilities Fund. All money in
34 the fund, including any money deposited in that fund from any
35 source whatsoever, and notwithstanding Section 13340 of the
36 Government Code, is hereby continuously appropriated without
37 regard to fiscal years for expenditure pursuant to this chapter.

38 (2) The board may apportion funds to school districts for the
39 purposes of this chapter from funds transferred to the 2016 State
40 School Facilities Fund from any source.

1 (3) The board may make apportionments in amounts not
2 exceeding those funds on deposit in the 2016 State School Facilities
3 Fund, and any amount of bonds authorized by the committee, but
4 not yet sold by the Treasurer.

5 (4) The board may make disbursements pursuant to any
6 apportionment made from any funds in the 2016 State School
7 Facilities Fund, irrespective of whether there exists at the time of
8 the disbursement an amount in the 2016 State School Facilities
9 Fund sufficient to permit payment in full of all apportionments
10 previously made. However, no disbursement shall be made from
11 any funds required by law to be transferred to the General Fund.

12 SEC. 3. Section 17070.75 of the Education Code is amended
13 to read:

14 17070.75. (a) As a condition for participation in the school
15 facilities program, the board shall require the school district to
16 make all necessary repairs, renewals, and replacements to ensure
17 that a project is at all times maintained in good repair, working
18 order, and condition. All costs incurred for this purpose shall be
19 borne by the school district.

20 (b) In order to ensure compliance with subdivision (a) and to
21 encourage school districts to maintain all buildings under their
22 control, the board shall require an applicant school district to do
23 all of the following prior to the approval of a project:

24 (1) Establish a restricted account within the general fund of the
25 school district for the exclusive purpose of providing moneys for
26 ongoing and major maintenance of school buildings, according
27 the highest priority to funding for the purposes set forth in
28 subdivision (a).

29 (2) (A) Agree to deposit into the account established pursuant
30 to paragraph (1), in each fiscal year for 20 years after receipt of
31 funds under this chapter, a minimum amount equal to or greater
32 than 3 percent of the total general fund expenditures of the
33 applicant school district, including other financing uses, for that
34 fiscal year. Annual deposits to the account established pursuant to
35 paragraph (1) in excess of 2 ½ percent of the school district general
36 fund budget may count towards the amount of funds required to
37 be contributed by a school district in order to receive
38 apportionments from the State School Deferred Maintenance Fund
39 pursuant to Section 17584 to the extent that those funds are used
40 for purposes that qualify for funding under that section.

(B) Notwithstanding subparagraph (A), for the 2004–05 fiscal year only, an applicant school district shall deposit into the account established pursuant to paragraph (1), no less than 2 percent of the total general fund expenditures of the school district, including other financing uses, for the fiscal year. The annual deposit to the account in excess of 1 ½ percent of the school district general fund budget for the 2004–05 fiscal year may count towards the amount that a school district is required to contribute in order to receive apportionments from the State School Deferred Maintenance Fund pursuant to Section 17584 to the extent that those funds are used for purposes that qualify for funding under that section.

(C) A school district contribution to the account may be provided in lieu of meeting the ongoing maintenance requirements pursuant to Section 17014 to the extent the funds are used for purposes established in that section. A school district that serves as the administrative unit for a special education local plan area may elect to exclude from its total general fund expenditures, for purposes of this paragraph, the distribution of revenues that are passed through to participating members of the special education local plan area.

(D) This paragraph applies only to the following school districts:

(i) High school districts with an average daily attendance greater than 300 pupils.

(ii) Elementary school districts with an average daily attendance greater than 900 pupils.

(iii) Unified school districts with an average daily attendance greater than 1,200 pupils.

(3) Certify that it has publicly approved an ongoing and major maintenance plan that outlines the use of the funds deposited, or to be deposited, pursuant to paragraph (2). The plan may provide that the school district need not expend all of its annual allocation for ongoing and major maintenance in the year in which it is deposited if the cost of major maintenance requires that the allocation be carried over into another fiscal year. However, any state funds carried over into a subsequent year may not be counted toward the annual minimum contribution by the school district. A plan developed in compliance with this section shall be deemed to meet the requirements of Section 17585.

(c) A school district to which paragraph (2) of subdivision (b) does not apply shall certify to the board that it can reasonably maintain its facilities with a lesser level of maintenance.

(d) For purposes of calculating a county office of education requirement pursuant to this section, the 3 percent maintenance requirement shall be based upon the county office of education general fund less any restricted accounts.

(e) As a condition of participation in the school facilities program or the receipt of funds pursuant to Section 17582, for a fiscal year after the 2004–05 fiscal year, a school district shall establish a facilities inspection system to ensure that each of its schools is maintained in good repair.

(f) For purposes of this section, “good repair” has the same meaning as specified in subdivision (d) of Section 17002.

SEC. 4. Section 17070.78 is added to the Education Code, to read:

17070.78. As a condition for participation in the school facilities program, a school district shall certify that it has a long-range school facilities master plan and that the master plan is consistent with the regional sustainable communities strategy established pursuant to Section 65080 of the Government Code.

SEC. 5. Section 17070.99 of the Education Code is repealed.

SEC. 6. Section 17071.15 is added to the Education Code, to read:

17071.15. Notwithstanding Section 17071.10, the board shall require a school district that elects to participate in the new construction program to conduct an inventory of existing facilities and submit this information to the board, as prescribed by the board, for purposes of maintaining a statewide school facilities inventory.

SEC. 7. Section 17071.33 of the Education Code is repealed.

SEC. 8. Section 17071.35 of the Education Code is repealed.

SEC. 9. Section 17071.40 of the Education Code is repealed.

SEC. 10. Section 17072.35 of the Education Code is amended to read:

17072.35. (a) (1) A grant for new construction may be used for any and all costs necessary to adequately house new pupils in any approved project, and those costs may only include the cost of design, engineering, testing, inspection, plan checking, construction management, site acquisition and development,

1 evaluation and response action costs relating to hazardous
2 substances at a new or existing schoolsite, demolition, construction,
3 acquisition and installation of portable classrooms, landscaping,
4 necessary utility costs, utility connections and other fees, equipment
5 including telecommunication equipment to increase school security,
6 furnishings, and the upgrading of electrical systems or the wiring
7 or cabling of classrooms in order to accommodate educational
8 technology. A grant for new construction may also be used to
9 acquire an existing government or privately owned building, or a
10 privately financed school building, and for the necessary costs of
11 converting the government or privately owned building for public
12 school use. A grant for new construction may also be used for the
13 costs of designs and materials that promote the efficient use of
14 energy and water, the maximum use of natural lighting and indoor
15 air quality, the use of recycled materials and materials that emit a
16 minimum of toxic substances, the use of acoustics conducive to
17 teaching and learning, and other characteristics of
18 high-performance schools. A grant for new construction may be
19 used for seismic mitigation purposes and for related design, study,
20 and testing costs.

21 (2) An applicant who receives a new construction grant shall
22 ensure that the project incorporates designs and materials that
23 promote the efficient use of energy and water, the maximum use
24 of natural lighting and indoor air quality, the use of recycled
25 materials and materials that emit a minimum of toxic substances,
26 the use of acoustics conducive to teaching and learning, and other
27 characteristics of high-performance schools.

28 (b) In the development of guidelines and regulations, the board
29 shall provide a school district with maximum flexibility in the
30 design and new construction of school facilities.

31 SEC. 11. Section 17072.40 is added to the Education Code, to
32 read:

33 17072.40. The Office of Public School Construction, in
34 consultation with the State Department of Education, shall
35 recommend to the board regulations that will provide school
36 districts with flexibility in designing instructional facilities. These
37 recommendations shall propose revisions to any regulations that
38 limit the ability of school districts to use new construction grants
39 to construct instructional space approved by the State Department
40 of Education. The proposed revisions shall ensure that a school

1 district has the ability to design a facility that provides a flexible
2 learning environment, provides for the integration and use of
3 technology, and serves as an instructional space and learning
4 environment that supports and enhances the educational delivery
5 process.

6 SEC. 12. Section 17073.16 is added to the Education Code, to
7 read:

8 17073.16. The board shall require a school district that elects
9 to participate in the modernization program to conduct an inventory
10 of existing facilities and submit this information to the board, as
11 prescribed by the board, for purposes of maintaining a statewide
12 school facilities inventory.

13 SEC. 13. Section 17074.25 of the Education Code is amended
14 to read:

15 17074.25. (a) (1) A modernization apportionment may be
16 used for an improvement to extend the useful life of, or to enhance
17 the physical environment of, the school. The improvement may
18 only include the cost of design, engineering, testing, inspection,
19 plan checking, construction management, demolition, construction,
20 the replacement of portable classrooms, necessary utility costs,
21 utility connection and other fees, the purchase and installation of
22 air-conditioning equipment and insulation materials and related
23 costs, furniture and equipment, including telecommunication
24 equipment to increase school security, fire safety improvements,
25 playground safety improvements, the identification, assessment,
26 or abatement of hazardous asbestos, seismic safety improvements,
27 and the upgrading of electrical systems or the wiring or cabling of
28 classrooms in order to accommodate educational technology. A
29 modernization grant may not be used for costs associated with
30 acquisition and development of real property or for routine
31 maintenance and repair.

32 (2) A modernization apportionment may also be used for either
33 of the following:

34 (A) The cost of designs and materials that promote the efficient
35 use of energy and water, the maximum use of natural lighting and
36 indoor air quality, the use of recycled materials and materials that
37 emit a minimum of toxic substances, the use of acoustics conducive
38 to teaching and learning, and other characteristics of
39 high-performance schools.

1 (B) Seismic mitigation purposes and related design, study, and
2 testing costs.

3 (3) An applicant that receives a modernization apportionment
4 shall ensure that the project incorporates designs and materials
5 that promote the efficient use of energy and water, the maximum
6 use of natural lighting and indoor air quality, the use of recycled
7 materials and materials that emit a minimum of toxic substances,
8 the use of acoustics conducive to teaching and learning, and other
9 characteristics of high-performance schools.

10 (b) In the development of guidelines and regulations, the board
11 shall provide a school district with maximum flexibility in the
12 design and modernization of school facilities.

13 (c) (1) A modernization apportionment may also be used to
14 demolish and construct a building or buildings on an existing
15 schoolsite if the total cost of providing a new school building,
16 including land, on a new site would not protect the economic
17 interest of the state and school district.

18 (2) A project deemed to meet the requirements of paragraph (1)
19 shall be eligible for a grant equal to the grant provided under
20 Section 17072.10.

21 (d) The board shall establish additional requirements it deems
22 necessary to ensure that the economic interests of the state and the
23 educational interests of the children of the state are protected.

24 SEC. 14. Section 17074.26 of the Education Code is amended
25 to read:

26 17074.26. The board shall adopt regulations to adjust the
27 per-pupil amounts set forth in Section 17074.10 for modernization
28 projects for school buildings that are 50 years old or older based
29 upon the higher costs associated with modernizing older buildings.

30 SEC. 15. Section 17077.42 of the Education Code is amended
31 to read:

32 17077.42. In order to be approved for a grant under this article,
33 the applicant school district shall demonstrate that it has complied
34 with all of the following:

35 (a) The school district has entered into a joint-use agreement
36 with a governmental agency, public community college, public
37 college or public university, or a nonprofit organization approved
38 by the board.

39 (b) The joint-use agreement specifies the method of sharing
40 capital and operating costs, specifies relative responsibilities for

1 the operation and staffing of the facility, and specifies the manner
2 in which the safety of the pupils will be ensured.

3 (c) The joint-use agreement specifies the amount of the
4 contribution to be made by the school district and the joint-use
5 partner toward the 50-percent local share of eligible project costs.
6 The contribution made by a joint-use partner shall be no less than
7 25 percent of eligible project costs, unless either of the following
8 conditions applies:

9 (1) The school district has passed a local bond that specifies
10 that proceeds of sale of the bonds are to be used for the joint-use
11 project, in which case the school district may opt to provide up to
12 the full 50-percent local share of eligible costs.

13 (2) The joint-use agreement specifies that the joint-use partner
14 will provide 100 percent of the operational costs for the joint-use
15 project for a term of no less than 10 years.

16 (d) The school district demonstrates that the facility will be used
17 to the maximum extent possible for both school and community
18 purposes, or both school and higher education purposes, as
19 applicable.

20 (e) (1) The project application qualifies for funding under
21 paragraph (1) of subdivision (b) of Section 17077.40 and the school
22 district has received all approvals necessary for apportionment
23 under this chapter.

24 (2) The project qualifies for funding under paragraph (2) or (3)
25 of subdivision (b) of Section 17077.40 and the school district has
26 completed preliminary plans for the project and has received State
27 Department of Education approval of the plans.

28 SEC. 16. Section 17254 is added to the Education Code, to
29 read:

30 17254. (a) The State Department of Education, the Division
31 of the State Architect, the Office of Public School Construction,
32 and the Department of Toxic Substances Control shall convene
33 for purposes of developing an interagency plan to streamline the
34 school facility construction application, review, and audit processes
35 in order to reduce the time and improve the efficiency of the school
36 facilities construction process.

37 (b) ~~The~~ *As part of the* interagency plan developed pursuant to
38 subdivision ~~(a)~~ *(a)*, ~~the Superintendent~~ shall identify ~~a single~~ *a single* an
39 entity within the State Department of Education to act as a
40 full-service agency and to assist school districts in navigating the

1 school facilities process. The interagency plan shall be submitted
2 to the Legislature, in accordance with Section 9795 of the
3 Government Code, on or before July 1, 2016.

4 (c) It is the intent of the Legislature that operative regulatory
5 language adopted by the State Allocation Board before the effective
6 date of this section be reviewed and revised before July 1, 2016,
7 to ensure that the School Facility Program is being implemented
8 in a manner that reduces duplicative processes for the review,
9 approval, and audit of school facility new construction and
10 modernization projects.

11 (d) This section shall remain in effect only until July 1, 2021,
12 and as of that date is repealed, unless a later enacted statute, that
13 is enacted before July 1, 2021, deletes or extends that date.

14 SEC. 17. Section 17592.70 of the Education Code is amended
15 to read:

16 17592.70. (a) There is hereby established the School Facilities
17 Needs Assessment Grant Program with the purpose to provide for
18 a one-time comprehensive assessment of school facility needs.
19 The grant program shall be administered by the State Allocation
20 Board.

21 (b) (1) The grants shall be awarded to school districts on behalf
22 of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic
23 Performance Index (API), pursuant to Section 52056, based on
24 the 2003 base API score for each school newly constructed prior
25 to January 1, 2000.

26 (2) For purposes of this section, schools ranked in deciles 1 to
27 3, inclusive, on the 2003 base API shall include any schools
28 determined by the department to meet either of the following:

29 (A) The school meets all of the following criteria:

30 (i) Does not have a valid base API score for 2003.

31 (ii) Is operating in the 2004–05 fiscal year and was operating
32 in the 2003–04 fiscal year during the Standardized Testing and
33 Reporting (STAR) Program testing period.

34 (iii) Has a valid base API score for 2002 that was ranked in
35 deciles 1 to 3, inclusive, in that year.

36 (B) The school has an estimated base API score for 2003 that
37 would be in deciles 1 to 3, inclusive.

38 (3) The department shall estimate an API score for any school
39 meeting the criteria of clauses (i) and (ii) of subparagraph (A) of
40 paragraph (2) and not meeting the criteria of clause (iii) of

1 subparagraph (A) of paragraph (2), using available testing scores
2 and any weighting or corrective factors it deems appropriate. The
3 department shall provide those API scores to the Office of Public
4 School Construction and post them on its Internet Web site within
5 30 days of the enactment of this section.

6 (4) For purposes of this section, schools ranked in deciles 1 to
7 3, inclusive, on the 2003 base API shall exclude any schools
8 determined by the department to be operated by county offices of
9 education pursuant to Section 56140.

10 (c) The board shall allocate funds pursuant to subdivision (b)
11 to school districts with jurisdiction over eligible schoolsites, based
12 on ten dollars (\$10) per pupil enrolled in the eligible school as of
13 October 2003, with a minimum allocation of seven thousand five
14 hundred dollars (\$7,500) for each schoolsite.

15 (d) As a condition of receiving funds pursuant to this section,
16 school districts shall do all of the following:

17 (1) Use the funds to develop a comprehensive needs assessment
18 of all schoolsites eligible for grants pursuant to subdivision (b).
19 The assessment shall contain, at a minimum, all of the following
20 information for each schoolsite:

21 (A) The year each building that is currently used for instructional
22 purposes was constructed.

23 (B) The year, if any, each building that is currently used for
24 instructional purposes was last modernized.

25 (C) The pupil capacity of the school.

26 (D) The number of pupils enrolled in the school.

27 (E) The density of the school campus measured in pupils per
28 acre.

29 (F) The total number of classrooms at the school.

30 (G) The age and number of portable classrooms at the school.

31 (H) Whether the school is operating on a multitrack, year-round
32 calendar, and, if so, what type.

33 (I) Whether the school has a cafeteria, or an auditorium or other
34 space used for pupil eating and not for class instruction.

35 (J) The useful life remaining of all major building systems for
36 each structure housing instructional space, including, but not
37 limited to, sewer, water, gas, electrical, roofing, and fire and life
38 safety protection.

39 (K) The estimated costs for five years necessary to maintain
40 functionality of each instructional space to maintain health, safety,

1 and a suitable learning environment, as applicable, including
2 classroom, counseling areas, administrative space, libraries,
3 gymnasiums, multipurpose and dining space, and the accessibility
4 to those spaces.

5 (L) A list of necessary repairs.

6 (2) Use the data currently filed with the state as part of the
7 process of applying for and obtaining modernization or construction
8 funds for school facilities, or information that is available in the
9 California Basic Education Data System for the element required
10 in subparagraphs (D), (E), (F), and (G) of paragraph (1).

11 (3) Use the assessment as the baseline for the facilities inspection
12 system required pursuant to subdivision (d) of Section 17070.75.

13 (4) Provide the results of the assessment to the Office of Public
14 School Construction, including a report on the expenditures made
15 in performing the assessment. It is the intent of the Legislature
16 that the assessments be completed as soon as possible, but not later
17 than January 1, 2006.

18 (5) If a school district does not need the full amount of the
19 allocation it receives pursuant to this section, the school district
20 shall expend the remaining funds for making facilities repairs
21 identified in its needs assessment. The school district shall report
22 to the Office of Public School Construction on the repairs
23 completed pursuant to this paragraph and the cost of the repairs.

24 (6) Submit to the Office of Public School Construction an
25 interim report regarding the progress made by the school district
26 in completing the assessments of all eligible schools.

27 SEC. 18. Part 70 (commencing with Section 101100) is added
28 to Division 14 of Title 3 of the Education Code, to read:

29
30 PART 70. KINDERGARTEN THROUGH GRADE 12 PUBLIC
31 EDUCATION FACILITIES BOND ACT OF 2016

32
33 CHAPTER 1. GENERAL
34

35 101100. This part shall be known, and may be cited, as the
36 Kindergarten Through Grade 12 Public Education Facilities Bond
37 Act of 2016.

38 101101. The incorporation of, or reference to, any provision
39 of California statutory law in this part includes all acts amendatory
40 thereof and supplementary thereto.

101102. (a) Bonds in the total amount of _____ dollars (\$_____), not including the amount of any refunding bonds issued in accordance with Section 101130, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 at any different times necessary to service expenditures required by the apportionments.

CHAPTER 2. KINDERGARTEN THROUGH GRADE 12

Article 1. Kindergarten Through Grade 12 School Facilities Program Provisions

101110. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 101120) shall be deposited in the 2016 State School Facilities Fund established in the State Treasury under subdivision (e) of Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

101111. All moneys deposited in the 2016 State School Facilities Fund for the purposes of this chapter shall be available to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), as set forth in Section 101112, to provide funds to repay any money advanced or loaned to the 2016 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

1 101112. (a) The proceeds from the sale of bonds, issued and
2 sold for the purposes of this chapter, shall be allocated in
3 accordance with the following schedule:

4 (1) The amount of ____ dollars (\$____) for new construction
5 of school facilities of applicant school districts under Chapter 12.5
6 (commencing with Section 17070.10) of Part 10 of Division 1 of
7 Title 1.

8 (2) The amount of ____ dollars (\$____) for the modernization
9 of school facilities pursuant to Chapter 12.5 (commencing with
10 Section 17070.10) of Part 10 of Division 1 of Title 1.

11 (3) Of the amount allocated in this subdivision, up to 5 percent
12 shall be available for providing facilities to charter schools pursuant
13 to Article 12 (commencing with Section 17078.52) of Chapter
14 12.5 of Part 10 of Division 1 of Title 1.

15 (b) School districts may use funds allocated pursuant to
16 paragraph (2) of subdivision (a) only for one or more of the
17 following purposes in accordance with Chapter 12.5 (commencing
18 with Section 17070.10) of Part 10 of Division 1 of Title 1:

19 (1) The purchase and installation of air-conditioning equipment
20 and insulation materials, and related costs.

21 (2) Construction projects or the purchase of furniture or
22 equipment designed to increase school security or playground
23 safety.

24 (3) The identification, assessment, or abatement in school
25 facilities of hazardous asbestos.

26 (4) Project funding for high-priority roof replacement projects.

27 (5) Any other modernization of facilities pursuant to Chapter
28 12.5 (commencing with Section 17070.10) of Part 10 of Division
29 1 of Title 1.

30 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)
31 may also be utilized to provide new construction grants for eligible
32 applicant county boards of education under Chapter 12.5
33 (commencing with Section 17070.10) of Part 10 of Division 1 of
34 Title 1 for funding classrooms for severely handicapped pupils,
35 or for funding classrooms for county community school pupils.

36 101113. The board shall assign priority for funding under this
37 chapter to applicant school districts that demonstrate participation
38 in a community-based effort to coordinate educational,
39 developmental, family, health, and other comprehensive services
40 by engaging in public and private partnerships with local public

1 entities and other nonprofit or private community partners. Criteria
2 that demonstrate this participation shall include all of the following:

3 (a) Institutionalized structures for cross-agency collaboration,
4 including, but not limited to, memoranda of understanding to
5 coordinate activities and services.

6 (b) Agreements for joint use and operations of school facilities,
7 in accordance with the requirements of subdivision (c) of Section
8 17077.42, that provide for extended hours of use for pupils,
9 families, and the community, integration of libraries, early
10 childhood education, child care centers, senior centers, outdoor
11 recreation or environmental education, arts education, and career
12 technical education and adult education offerings for pupils and
13 community members.

14 (c) Participation in the State Community Schools Network.

15 (d) Participation in technical assistance and training, including
16 professional development, for full-service community schools.

17 (e) Certification that the district's school facilities master plan
18 is consistent with the regional sustainable communities strategy
19 established pursuant to Section 65080 of the Government Code.

20
21 Article 2. Kindergarten Through Grade 12 School Facilities
22 Fiscal Provisions
23

24 101120. (a) Of the total amount of bonds authorized to be
25 issued and sold pursuant to Chapter 1 (commencing with Section
26 101100), bonds in the amount of ____ dollars (\$____), not
27 including the amount of any refunding bonds issued in accordance
28 with Section 101130, or so much thereof as is necessary, may be
29 issued and sold to provide a fund to be used for carrying out the
30 purposes expressed in this chapter and to reimburse the General
31 Obligation Bond Expense Revolving Fund pursuant to Section
32 16724.5 of the Government Code. The bonds, when sold, shall be
33 and constitute a valid and binding obligation of the State of
34 California, and the full faith and credit of the State of California
35 is hereby pledged for the punctual payment of the principal of, and
36 interest on, the bonds as the principal and interest become due and
37 payable.

38 (b) Pursuant to this section, the Treasurer shall sell the bonds
39 authorized by the State School Building Finance Committee

1 established pursuant to Section 15909 at any different times
2 necessary to service expenditures required by the apportionments.

3 101121. The State School Building Finance Committee,
4 established by Section 15909 and composed of the Governor, the
5 Controller, the Treasurer, the Director of Finance, and the
6 Superintendent, or their designated representatives, all of whom
7 shall serve on the committee without compensation, and a majority
8 of whom shall constitute a quorum, is continued in existence for
9 the purpose of this chapter. The Treasurer shall serve as chairperson
10 of the committee. Two Members of the Senate appointed by the
11 Senate Committee on Rules, and two Members of the Assembly
12 appointed by the Speaker of the Assembly, shall meet with and
13 provide advice to the committee to the extent that the advisory
14 participation is not incompatible with their respective positions as
15 Members of the Legislature. For purposes of this chapter, the
16 Members of the Legislature shall constitute an interim investigating
17 committee on the subject of this chapter and, as that committee,
18 shall have the powers granted to, and duties imposed upon, those
19 committees by the Joint Rules of the Senate and the Assembly.
20 The Director of Finance shall provide assistance to the committee
21 as it may require. The Attorney General of the state is the legal
22 advisor of the committee.

23 101122. (a) The bonds authorized by this chapter shall be
24 prepared, executed, issued, sold, paid, and redeemed as provided
25 in the State General Obligation Bond Law (Chapter 4 (commencing
26 with Section 16720) of Part 3 of Division 4 of Title 2 of the
27 Government Code), and all of the provisions of that law, except
28 Section 16727 of the Government Code to the extent that it
29 conflicts with this part, apply to the bonds and to this chapter and
30 are hereby incorporated into this chapter as though set forth in full
31 within this chapter.

32 (b) For purposes of the State General Obligation Bond Law, the
33 State Allocation Board is designated the “board” for purposes of
34 administering the 2016 State School Facilities Fund.

35 101123. (a) Upon request of the State Allocation Board, the
36 State School Building Finance Committee shall determine whether
37 or not it is necessary or desirable to issue bonds authorized pursuant
38 to this chapter in order to fund the apportionments and, if so, the
39 amount of bonds to be issued and sold. Successive issues of bonds
40 may be authorized and sold to fund those apportionments

1 progressively, and it is not necessary that all of the bonds
2 authorized to be issued be sold at any one time.

3 (b) A request of the State Allocation Board pursuant to
4 subdivision (a) shall be supported by a statement of the
5 apportionments made and to be made for the purposes described
6 in Sections 101111 and 101112.

7 101124. There shall be collected each year and in the same
8 manner and at the same time as other state revenue is collected,
9 in addition to the ordinary revenues of the state, a sum in an amount
10 required to pay the principal of, and interest on, the bonds each
11 year. It is the duty of all officers charged by law with any duty in
12 regard to the collection of the revenue to do and perform each and
13 every act that is necessary to collect that additional sum.

14 101125. Notwithstanding Section 13340 of the Government
15 Code, there is hereby appropriated from the General Fund in the
16 State Treasury, for the purposes of this chapter, an amount that
17 will equal the total of the following:

18 (a) The sum annually necessary to pay the principal of, and
19 interest on, bonds issued and sold pursuant to this chapter, as the
20 principal and interest become due and payable.

21 (b) The sum necessary to carry out Section 101128, appropriated
22 without regard to fiscal years.

23 101126. The State Allocation Board may request the Pooled
24 Money Investment Board to make a loan from the Pooled Money
25 Investment Account or any other approved form of interim
26 financing, in accordance with Section 16312 of the Government
27 Code, for the purpose of carrying out this chapter. The amount of
28 the request shall not exceed the amount of the unsold bonds that
29 the committee, by resolution, has authorized to be sold for the
30 purpose of carrying out this chapter. The board shall execute any
31 documents required by the Pooled Money Investment Board to
32 obtain and repay the loan. Any amounts loaned shall be deposited
33 in the fund to be allocated by the board in accordance with this
34 chapter.

35 101127. Notwithstanding any other provision of this chapter,
36 or of the State General Obligation Bond Law, if the Treasurer sells
37 bonds pursuant to this chapter that include a bond counsel opinion
38 to the effect that the interest on the bonds is excluded from gross
39 income for federal tax purposes, subject to designated conditions,
40 the Treasurer may maintain separate accounts for the investment

1 of bond proceeds and for the investment earnings on those
2 proceeds. The Treasurer may use or direct the use of those proceeds
3 or earnings to pay any rebate, penalty, or other payment required
4 under federal law or take any other action with respect to the
5 investment and use of those bond proceeds required or desirable
6 under federal law to maintain the tax-exempt status of those bonds
7 and to obtain any other advantage under federal law on behalf of
8 the funds of this state.

9 101128. For purposes of carrying out this chapter, the Director
10 of Finance may authorize the withdrawal from the General Fund
11 of an amount not to exceed the amount of the unsold bonds that
12 have been authorized by the State School Building Finance
13 Committee to be sold for the purpose of carrying out this chapter.
14 Any amounts withdrawn shall be deposited in the 2016 State
15 School Facilities Fund consistent with this chapter. Any money
16 made available under this section shall be returned to the General
17 Fund, plus an amount equal to the interest that the money would
18 have earned in the Pooled Money Investment Account, from
19 proceeds received from the sale of bonds for the purpose of
20 carrying out this chapter.

21 101129. All money deposited in the 2016 State School Facilities
22 Fund that is derived from premium and accrued interest on bonds
23 sold shall be reserved in the fund, and shall be available for transfer
24 to the General Fund as a credit to expenditures for bond interest.

25 101130. The bonds may be refunded in accordance with Article
26 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
27 Division 4 of Title 2 of the Government Code, which is a part of
28 the State General Obligation Bond Law. Approval by the voters
29 of the state for the issuance of the bonds described in this chapter
30 includes the approval of the issuance of any bonds issued to refund
31 any bonds originally issued under this chapter or any previously
32 issued refunding bonds.

33 101131. The Legislature hereby finds and declares that,
34 inasmuch as the proceeds from the sale of bonds authorized by
35 this chapter are not “proceeds of taxes” as that term is used in
36 Article XIII B of the California Constitution, the disbursement of
37 these proceeds is not subject to the limitations imposed by that
38 article.

1 SEC. 19. The Secretary of State shall submit Section 18 of this
2 act to the voters at the November 8, 2016, statewide general
3 election.

4 SEC. 20. The provisions of this act are severable. If any
5 provision of this act or its application is held invalid, that invalidity
6 shall not affect other provisions or applications that can be given
7 effect without the invalid provision or application.

8 SEC. 21. Sections 1 to 15, inclusive, and Sections 17 and 18
9 of this act shall become operative only if the voters approve the
10 Kindergarten Through Grade 12 Public Education Facilities Bond
11 Act of 2016, as set forth in Section 18 of this act.

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